

Message Text

LIMITED OFFICIAL USE

PAGE 01 BOGOTA 02445 222204Z

70

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02 OMB-01

DRC-01 /173 W

----- 060903

P 222118Z MAR 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 1880

LIMITED OFFICIAL USE BOGOTA 2445

PASS TREASURY FOR MARKS

E.O. 11652: NA

TAGS: ETRD, CO

SUBJECT: GOC POSITION ON CUT FLOWERS

1. AT MEETING TODAY WITH DR. FABIO GOMEZ, ADVISOR TO THE FINANCE MINISTER ACD GOC PARTICIPANT AT THE 1 APRIL MEETING IN WASHINGTON WITH TREASURY, FINATT RECEIVED A COPY OF A LETTER FROM JOHN REHM THEIR LEGAL COUNSEL IN WASHINGTON TO SANTAMARIA OF THE COLOMBIAN FLOWER GROWERS ASSOCIATION. IT DESCRIBES THE 19 MARCH MEETING WITH TREASURY AND OFFERS SOME INTERESTING INSIGHT TO THE GOC'S POSITION. IT IS QUOTED IN ITS ENTIRETY. SPEARATE CABLE FOLLOWS WITH DETAILS OF OUR MEETING HERE WITH GOMEZ.

2. QUOTE PLEASE PASS THE FOLLOWING TO SANTAMARIA-ASCOCFLORES. (1) ON TEUSDAY, MARCH 19, 1974, MINISTERS LOPEZ AND ESCOBAR OF THE COLOMBIAN EMBASSY AND I MET WITH MARKS OF THE TREASURY DEPARTMENT ON THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BOGOTA 02445 222204Z

COUNTERVAILING DUTY PROBLEM. MARKS WAS PLEASED TO

LEARN THAT WE WERE THINKING OF TECHNICAL DISCUSSIONS, AND HE URGED A FIRST ROUND OF MEETINGS NO LATER THAN MONDAY, APRIL 1; AS A RESULT, MARKS IS WILLING TO SUSPEND THE APRIL 8 DEADLINE, AND HE ACCEPTS THE POSSIBILITY OF A SECOND ROUND. IN SHORT, WE WILL BE ABLE TO GAIN SOME TIME. (2) THE AMBASSADOR IS PARTICULARLY INTENT UPON HOLDING OFF ANY TREASURY DECISION UNTIL AT LEAST MAY. THIS IS BECAUSE DURING APRIL THE FOREIGN AND FINANCE MINISTERS WILL BE SEEING KISSINGER AND SHULTZ, RESPECTIVELY. (3) ON WEDNESDAY, MARCH 20, 1974, THE AMBASSADOR SPOKE BY TELEPHONE WITH THE PRESIDENT AND OTHER OFFICIALS IN BOGOTA THE PRESIDENT DECIDED NOT TO SEND A LETTER TO NIXON FOR THE TIME BEING. HOWEVER, THE FOREIGN MINISTER WILL SEND A LETTER TO KISSINGER. IN ADDITION, IT WAS AGREED THAT GOMEZ AND BUENO, TOGETHER WITH REPRESENTATIVES OF THE ASSOCIATION, WOULD ATTEND THE FIRST TECHNICAL MEETING WITH TREASURY BEGINNING MONDAY AFTERNOON, APRIL 1, 1974, AND PROBABLY CONTINUING INTO TUESDAY. I WILL BE PART OF THE COLOMBIAN DELEGATION BOTH AS COUNSEL TO THE ASSOCIATION AND AS LEGAL ADVISER OF THE EMBASSY. (4) THE TREASURY DEPARTMENT HAS AGREED TO START THE FIRST MEETING MONDAY AFTERNOON, APRIL 1, 1974. THIS WILL GIVE US THE MORNING IN WHICH TO PREPARE. (5) IN PREPARATION FOR THE APRIL 1, 1974, MEETING, FIRST I WOULD VERY MUCH APPRECIATE A TRANSLATION OF THE IMPORTANT DECREES CONCERNING THE CAT THAT WERE ISSUED AFTER DECREE 444. THESE SUBSEQUENT DECREES INCLUDE DECREES 1366, 1988, 1996, AND 1997, BUT THERE IS AT LEAST ONE OTHER, WHICH REDUCED THE 15 PERCENT TO 13 PERCENT; SECOND, I DO HOPE THAT GOMEZ AND BUENO CAN COME TO WASHINGTON WITH AT LEAST A PRELIMINARY STUDY OF THE INDIRECT TAXES BORNE BY EXPORTED CUT FLOWERS. WE MUST HAVE THIS STUDY TO SEE IF WE CAN ARGUE THAT THE CAT IS IN EFFECT A REMISSION OF INDIRECT TAXES. THIRD, THE AMBASSADOR HAS ASKED FOR A SEPARATE STUDY OF THE DEVALUATION OF THE PESO OVER THE LAST TWENTY YEARS, TO SEE IF WE CAN ARGUE THAT THE CAT OFFSETS THAT DEVALUATION. FOURTH, GOMEZ AND BUENO SHOULD SET ASIDE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BOGOTA 02445 222204Z

SOME TIME BEFORE THEIR DEPARTURE FOR WASHINGTON TO BRIEF THEMSELVES IN DEPTH ON THE ORIGIN AND OPERATION OF THE CAT, SINCE THEY WILL OBVIOUSLY BE THE EXPERTS OF THE DELEGATION. (6) MEANWHILE, I HAVE ALREADY STARTED TO LOOK INTO U.S. TAX MEASURES THAT ARE ARGUABLY SIMILAR TO THE CAT. (7) BECAUSE OF THE AMOUNT OF TIME THAT THE COUNTERVAILING DUTY PROBLEM WILL ENTAIL, I AM ASSUMING THAT IT CONSTITUTES A

SPECIAL PROJECT FOR WHICH WE WILL BE REIMBURSED OVER
AND ABOVE OUR USUAL RETAINER. PARAGRAPH 3 OF OUR
AGREEMENT WITH THE ASSOCIATION, DATED MARCH 12, 1973,
EXPRESSLY EXCLUDES ANY QUOTE MAJOR PROJECT UNQUOTE
FROM THE RETAINER. AT THE SAME TIME, IT WOULD SEEM
ONLY FAIR THAT THE COLOMBIAN GOVERNMENT PAY AT LEAST
A PORTION OF OUR FEES IN THIS CASE, BUT THAT IS OF
COURSE A MATTER FOR THE ASSOCIATION TO DECIDE. BEST
WISHES JOHN B. REHM UNQUOTE.
VAKY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORT CONTROLS, PLANTS (FLORA), COUNTERVAILING DUTIES, MEETINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BOGOTA02445
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740062-0192
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740324/aaaaavss.tel
Line Count: 125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by elyme>; APPROVED <11-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOC POSITION ON CUT FLOWERS
TAGS: ETRD, CO, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005